

TRANSACTION NARRATIVE

TRANSFER OF LICENSES FROM ITT CORPORATION TO EXELIS INC

Transaction Summary

ITT Corporation (“**ITT**”) is a publicly traded corporation that is a diversified leading manufacturer of highly engineered critical components and customized technology solutions for the energy, transportation and industrial markets. ITT’s predecessor corporation was founded in 1920 and was engaged in a variety of businesses over many decades. The original ITT Corporation underwent a series of corporate structural changes, including but not limited to a spinoff of ITT Industries (later renamed ITT Corporation) in 1996. In 2010, ITT was organized into three primary business areas: Defense & Information Solutions, Fluid Technology, and Motion and Flow Control. On January 11, 2011, the Board of Directors of ITT approved a plan to separate ITT into three independent publicly traded companies for strategic purposes, whereby all of ITT’s Defense and Information Solutions business would spin off into one company, Exelis Inc. (“**Exelis**”) and ITT’s Fluid Technology business would spin off into another company, Xylem Inc. (“**Xylem**”). ITT shareholders would own all of the outstanding shares of common stock of Exelis and Xylem, on a pro rata basis based on the number of ITT shares that such shareholder owned on October 17, 2011 (the “**Record Date**”).

In anticipation of the spin-off from ITT, Exelis was incorporated as an Indiana corporation on May 4, 2011, as a wholly-owned subsidiary of ITT. ITT, Exelis and Xylem entered into a Distribution Agreement dated October 25, 2011 whereby ITT agreed to transfer, contribute, distribute, assign and convey (“**Transfer**”) to Exelis, all right, title, and interest in and to the assets primarily relating to, used in, or arising from its Defense and Information Solutions business (the “**Defense Assets**”). The Defense Assets included a number private wireless licenses granted to ITT by the Federal Communications Commission (“**FCC**”) under multiple FCC Registration Numbers (“**FRNs**”). These licenses were obtained by ITT’s Defense and Information Solutions business units, and at all times were used by those same business units. Attachment A identifies the FRNs and call signs that were part of the Defense Assets (“**Licenses**”) that are or were intended to be Transferred to Exelis under the Distribution Agreement.

The spin-off of Exelis into an independent publicly traded company was completed by way of a pro rata distribution of Exelis common stock to ITT’s shareholders of record on the Record Date. On October 31, 2011 (the “**Distribution Date**”), each ITT shareholder received one share of Exelis common stock for each share of ITT common stock held by such shareholder on the Record Date. ITT was required to Transfer all Defense Assets to Exelis as soon as practical following the Distribution Date. On said Distribution Date, Exelis would legally separate company from ITT and ITT would no longer have any ownership interest in Exelis. However, Exelis would still be owned by the same shareholders as ITT.

Exelis currently employs an estimated 19,000 people across approximately six business units, with the Licenses being managed in a decentralized manner at the business unit level.

ATTACHMENT A

ITT LICENSES TRANSFERRING TO EXELIS

FRN	Call Sign	Radio Service	Grant Date
3470085	KQC535	IG	4/2/2012
	WPMU858	IG	1/6/2004
	WPTG786	YG	11/17/2011
	10946FLT	AC	7/15/2008
	KRD590	IG	12/22/2004
4496584	KRQ706	IG	3/24/2011
	WPHH481	IG	3/3/2005
	WPYU511	AF	9/18/2008
	WPYU515	AF	9/18/2008
	WQEE489	AR	1/6/2006
	WQIC497	AR	1/2/2008
	WQIK840	AR	3/6/2008
	WQMN904	AR	10/7/2010
	WQNB237	AR	11/8/2012
	WQNB381	AR	11/8/2012
	WRLD2007	AR	6/18/2009
	WRLD2010	AR	12/28/2004
15782238	WQGH492	IG	1/18/2007
18793505	WQKP406	MG	8/3/2009
	WQKP407	MG	8/3/2009
	WQKP409	MG	8/3/2009
20217923	WQNA888	MG	11/29/2010
	WQNA889	MG	11/29/2010
	WQNM826	MG	3/25/2011
	WQNM861	MG	3/25/2011
23004260	WNNJ520	IG	1/10/2004
22046577	WQIU405	IG	5/15/2008
13358080	WQDL654	IG	9/26/2005

FRN	Call Sign	Radio Service	Grant Date
18510867	WQBU281	AF	12/14/2004
	WQKB812	AF	3/23/2009
	WQKB815	AF	3/23/2009
	WQKB821	AF	3/23/2009
	WQKB822	AF	3/23/2009
	WQKB823	AF	3/23/2009
	WQKB825	AF	3/23/2009
	WQKB826	AF	3/23/2009
	WQKB828	AF	3/23/2009
	WQKC291	AF	3/25/2009
	WQKC293	AF	3/25/2009
	WQKC294	AF	3/25/2009
	WQKC295	AF	3/25/2009
	WQKC296	AF	3/25/2009
	WQKE916	AF	4/23/2009
	WQKH479	AF	5/20/2009
	WQKH499	AF	5/20/2009
	WQKH501	AF	5/20/2009
	WQKW705	AF	10/8/2009
	WQKW706	AF	10/8/2009
	WQKW707	AF	10/8/2009
	WQKW708	AF	10/8/2009
	WQKW709	AF	10/8/2009
	WQKW711	AF	10/8/2009
	WQKW860	AF	10/13/2009
	WQLC566	AF	12/3/2009
	WQMF819	AF	7/28/2010
	WQMF981	AF	7/29/2010
	WQMR432	AF	10/28/2010
	WQND709	AF	1/3/2011
	WQQA497	AF	10/4/2012
	WQRG373	AF	5/8/2013
	WQNB234	AF	12/1/2010
	WQND591	IG	12/30/2010
	WQSF235	AF	9/12/2013
	WQSS573	IG	11/7/2013
	WQKB810	AF	3/23/2009
	WQKB820	AF	3/23/2009
	WQKC297	AF	3/25/2009
	WQKH504	AF	5/20/2009
	WQKW861	AF	10/13/2009
	WQMF980	AF	7/29/2010